

Message Text

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ACTION EB-07

INFO OCT-01 EUR-12 ISO-00 AGRE-00 SP-02 USIA-15 AID-05
NSC-05 CIEP-02 TRSE-00 SS-15 STR-04 OMB-01 CEA-01
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FM AMEMBASSY LISBON

TO SECSTATE WASHDC 9647

UNCLAS LISBON 0197

PASS AGRICULTURE FOR FAS, OGSM, ERS

E.O. 11652: N/A

TAGS: EAGR, PO

SUBJECT: POOR CROPS RESULT IN SHORT SUPPLIES AND TEMPERS,
HIGHER PRICES

1. OFFICIAL CROP ESTIMATES FOR THE DROUGHT YEAR OF 1976 HAVE GROWN PROGRESSIVELY LESS OPTIMISTIC IN THE MONTHS OF OCTOBER, NOVEMBER, AND DECEMBER 1976. SHOPPERS' TEMPERS ARE SHORTENING AS PORTUGAL'S FOOD SHELVES BECOME EMPTIER, AND AS PRICES CLIMB FOR AVAILABLE COMMODITIES AND RESTAURANT MEALS. EVEN HOLIDAY SPIRITS WERE DAMPENED LAST MONTH AS SOME MERCHANTS IGNORED GOP PRICE CEILINGS ON IMPORTED DELICACIES. AUTHORITIES RECEIVED LARGE NUMBERS OF COMPLAINTS.

2. THE NATIONAL INSTITUTE OF STATISTICS REPORTED APPRECIABLE DECLINES IN 1976 PRODUCTION OF CORN, RICE, POTATOES, BEANS, WINE, AND OLIVES AND OLIVE OIL AS COMPARED WITH BOTH THE PRECEDING YEAR AND THE AVERAGE FOR THE PAST 10 YEARS. THE RELATIVELY MINOR BARLEY HARVEST REGISTERED A GAIN AS A RESULT OF INCREASED AREA SOWN; RYE ROSE A FRACTION WHILE OATS FELL ABOUT THE SAME AMOUNT.

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3. THE MOST RECENT ESTIMATE OF WHEAT PRODUCTION, 680,000 METRIC TONS AS OF OCTOBER 31, REPRESENTED A PRODUCTION GAIN OF 14 PERCENT OVER THE PRECEDING SEASON AND 18 PERCENT OVER THE 10-YEAR AVERAGE. TWO FACTORS WERE RESPONSIBLE FOR THE FORMER INCREASE: A 17 PERCENT EXPANSION OF PLANTED AREA AND A LATE DOWNWARD REVISION IN THE 1975 PRODUCTION ESTIMATE, FROM 676,000 TO 600,000

TONS.

4. ESTIMATED BEEF PRODUCTION FOR JANUARY-OCTOBER 1976 WAS 68,047 METRIC TONS, DOWN 14 PERCENT FROM THE 79,020 TONS PRODUCED IN THE FIRST 10 MONTHS OF 1975. NUMBER OF ANIMALS SLAUGHTERED FELL IN NINE OF THE 10 MONTHS. COMMERCIAL POULTRY MEAT PRODUCTION ROSE 13,605 TONS -- 20 PERCENT -- TO 80,468 MT IN THE SAME PERIODS. EGG PRODUCTION WAS ALMOST UNCHANGED FOR 10 MONTHS AT 376 MILLION EGGS. FISH LANDED FOR MARKETING DECLINED 7.6 PERCENT IN THE FIRST NINE MONTHS OF 1976 AS COMPARED WITH THE 175,689 MT LANDED DURING JANUARY-SEPTEMBER 1975, BUT THE AVERAGE PRICE PER KILOGRAM ROSE 36 PERCENT, FROM 15\$90 ESCUDOS TO 21\$65 ESCUDOS (ABOUT 58 AND 72 U.S. CENTS, RESPECTIVELY, AT AVERAGE RATES OF EXCHANGE PREVAILING FOR THE TWO YEARS).

PORTUGAL: HARVEST AND PRODUCTION ESTIMATES, 1975 AND 1976

	HARVEST YEAR		PERCENTAGE
	1,000 METRIC TONS		CHANGE
	1975	1976	
CORN	451	357	-20.8
RICE (ROUGH)	133	89	-33.0
POTATOES	1,023	853	-16.6
BEANS	39	29	-25.6
WHEAT	600	686	PLUS14.3
RYE	144	147	PLUS 2.0
BARLEY	94	106	PLUS12.7
OATS	127	125	-1.6
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CHICKPEAS	16	15	-6.3
ORANGES	120	110	-8.3
APPLES	140	154	PLUS10.0
1,000 HECTOLITERS			
WINE	8,773	8,130	-7.3
OLIVE OIL	539	412	-23.5
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Message Attributes

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Disposition History: n/a
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